



CITY OF DURHAM

Community Development Department

807 EAST MAIN STREET, BLDG. 2, STE. 200 | DURHAM, NC 27701

919.560.4570 | F 919.560.4090

www.DurhamNC.gov

Southside Homebuyer Update July 3, 2013

Thank you for expressing an interest in purchasing a new home in Southside. The response to our pre-sales registration has been tremendous. The purpose of this communication is to provide everyone with an overview of “next steps” and what you can expect over the coming months. It is our intent to issue a general update on a monthly basis and other announcements as needed.

Homebuilders: Two homebuilders have been selected to construct homes in Southside. They are B. Wallace Design and Construction (<http://bwallacebuilt.com/>) and Andrew Roby General Contractor (<http://www.andrewroby.com/>). Each builder will construct a family of bungalow style homes in the neighborhood. The homebuilders are currently finalizing the sales prices for the homes they plan to construct. We anticipate scheduling a “meet the builders” forum in early August where the builders will present information about their homes.

Available Lots: A total of 48 lots are available in this initial phase of homeownership development. A contract has been issued to install new water and sewer lines, construct street improvements and grade the lots for home construction. We anticipate that lots will be available to the homebuilders to begin construction in early November.

Pre-Sales: Both homebuilders intend to enter into pre-sales contracts with homebuyers in order to have multiple construction starts when lots become available in November.

Pre-Sales Process: Both the rental development and the homeownership development in Southside are “mixed-income” in nature. What that means is that some of the renters and homebuyers will have household incomes at or below 80% of the area median income (AMI) while others will have higher incomes. There will be no homebuyer income restrictions other than a federal requirement that at least 51% of the homebuyers have incomes of 80% AMI or below. The chart below indicates income limits by household size.

If your household income is above 80%, you will work directly with the homebuilder and the realtor and lender of your choice. We encourage you however to be knowledgeable of a potential source of assistance if your household incomes does not exceed \$85,000 – the N.C. Home Advantage Mortgage available through the North Carolina Housing Finance Agency (<http://www.nchfa.com/Homebuyers/HBwhatweoffer.aspx#advantage>). In addition to a competitive interest rate, that program provides eligible borrowers needing help with the down payment and closing costs with an interest free, deferred, forgivable second mortgage of up to 3% of the first mortgage loan amount. Make sure your realtor and your lender know if you are interested in this program.

For homebuyers with incomes at or below 80% AMI, there are three potential sources to make purchasing a new home affordable. The City of Durham has both 2% amortizing and 0% forgivable second mortgage loans of up to \$20,000. Through the North Carolina Housing Finance Agency, a forgivable second or third mortgage loan of up to \$18,000 is available to

eligible buyers. Finally, Duke University/Duke Health System has forgivable loans of \$10,000 for ten of its employees who purchase a home in Southside.

If your household income is at or below 80% AMI, and you are interested in one or more of the three assistance sources, the starting point in the pre-sales/home buying process is to complete and submit an application to the Department of Community Development along with the required documentation. Instructions for required documentation can be found within the application. The application and instructions are available on our webpage: <http://durhamnc.gov/ich/cb/cdd/Pages/FTHB.aspx> . Please mail or deliver your application to the following address:

City of Durham
Department of Community Development
Attn: Tammy Rokose
807 E. Main Street
Bldg. 2, Suite 200
Durham, NC 27701

All applications will be reviewed and processed in the order that they are received. The following are the steps:

1. Pre-application intake & transmittal to originating and underwriting agent
2. City pre-approval
3. 1st mortgage lender pre-approval

Finally, once you have received both pre-approvals, you may then contact one or both of the homebuilders to begin the process of selecting a home.

Durham-Chapel Hill MSA 2013 Income Limits Adjusted for Family Size

Income	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
50% AMI	\$23,700	\$27,100	\$30,500	\$33,850	\$36,600	\$39,300	\$42,000	\$44,700
60% AMI	\$28,440	\$32,520	\$36,600	\$40,620	\$43,920	\$47,160	\$50,400	\$53,640
80% AMI	\$37,950	\$43,350	\$48,750	\$54,150	\$58,500	\$62,850	\$67,150	\$71,500